

Village of Lake Ann

Audited Financial Statements

For the Year Ended February 29, 2004

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input checked="" type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name LAKE ANN	County BENZIE
Audit Date 2/29/04	Opinion Date 6/21/04	Date Accountant Report Submitted to State: 7/16/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ yes ☐ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name)
JL STEPHAN CO PC

Street Address
862 E EIGHTH ST

City
TRAVERSE CITY

State
MI

ZIP
49686

Accountant Signature

John P. Ma...

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
<u>Comments and Recommendations</u>	1-2
FINANCIAL SECTION	
<u>Independent Auditors' Report</u>	4
<u>Financial Statements</u>	
<u>Exhibit</u>	
A Combined Balance Sheet - All Fund Types and Account Groups	5
B Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types	6
C Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - All Governmental Fund Types	7
<u>Notes to the Financial Statements</u>	8-11
SUPPLEMENTAL DATA SECTION	
<u>Schedules</u>	
1 General Fund - Statement of Revenues, Expenditures and Changes in Fund Balance	12-14
2 Special Revenue Funds - Combining Balance Sheet	15
3 Special Revenue Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balance	16
4 Major Streets - Statement of Revenues, Expenditures and Changes in Fund Balance	17
5 Local Streets - Statement of Revenues, Expenditures and Changes in Fund Balance	18

INTRODUCTORY SECTION

Village of Lake Ann

Comments and Recommendations

We have audited the financial statements of The Village of Lake Ann as of and for the year ended February 29, 2004 and issued our report thereon dated June 21, 2004. As part of our examination, we studied and evaluated the Village's internal control structure. Because the study and evaluation were only part of the overall audit plan regarding the financial statements, our study was more limited than would be necessary to express an opinion on the system of internal control taken as a whole. Accordingly, we do not express an opinion on the system of internal control of the Village taken as a whole.

We offer the following comments and recommendations in a continuing effort to enhance internal control and improve the accounting system, financial reporting, and overall management.

Opening comments

The records were maintained in good condition by your Clerk and Treasurer. Recorded revenues were deposited timely and intact, journals and ledgers were properly posted, board minutes were maintained in good order and supporting documents and follow up procedures appeared to be in good order. We noted the Clerk and Treasurer continue to consider and implement our recommendations made during the prior years' audits and are to be commended for their efforts.

Bank Reconciliation

It appears the Treasurer is reconciling the Village's month end bank statements on a regular basis. The beginning of year reconciliation did not list outstanding checks, and had to be reconstructed. We continue to recommend the reconciliation be done as of the last day of the month and include a list by check number and amount of all outstanding checks.

Budget Procedures

A budget was adopted for Governmental Fund Types as required by P.A. 621 of 1978, Section 18 (1), as amended. The council did not indicate the level the budget was adopted at, and was treated as being adopted at the activity level. We recommend that the council minutes clearly state that the budget is being adopted at the activity level.

We further recommend that the clerk keep a budget work copy which shows the original budget, any amendments approved by the council, and the final amended budget. This will be even more important in the future when the Village implements GASB 34.

Street Funds

We noted that the Local Street Fund received \$684.73 from the State of Michigan for snow removal reimbursement. The Treasurer split the amount received between the Major Street Fund and the Local Street Fund in the amount of \$342.36 each. The Village should repay \$342.36 from the Major Street Fund to Local Street Fund in order to correct.

Village of Lake Ann

Comments and Recommendations

Property Tax Collection

The Michigan Department of Treasury Uniform Accounting Procedures Manual required the Treasurer to maintain a Tax Collection Receipts Journal and a Tax Collection Disbursements Journal if applicable. The Village Treasurer does not currently maintain these journals. We recommend the Treasurer keep a summary of property taxes collected and reconcile it to the County Tax Settlement.

Metro Act Money

In June 2004, the Village received money from the State of Michigan in accordance with the Metro Act. This money can only be used for those expenditures allowed under the metro act. We recommend that the Village Council determine what expenditures need to be made with these monies and set up a new activity in the General Fund, or establish a new fund if significant amounts are to be carried over from year to year.

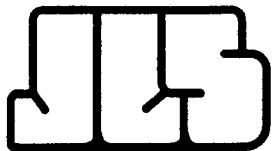
Fidelity Bond Coverage

State law requires fidelity bond coverage for the Clerk and Treasurer and their deputies. The Village should review their surety bond coverage to make sure that it is current.

Closing Comments

We will be happy to discuss any of these recommendations with you and assist you in their implementation. As a matter of course, we will forward the necessary copies of this audit report to the State Treasury Department. We further appreciate the courtesy extended our field auditors in the conduct of this audit engagement. Should any questions arise on this audit report and the conduct of our audit, please call upon us.

FINANCIAL SECTION



J L Stephan Co PC

Certified Public Accountants

Jerry L. Stephan, CPA
John P. Morse, CPA

Marty Szasz, CPA
David Skibowski, Jr., CPA

INDEPENDENT AUDITORS' REPORT

To the Village Council
Village of Lake Ann
Lake Ann, MI 49650

We have audited the accompanying general purpose financial statements of the Village of Lake Ann, Benzie County, Michigan, as of and for the year ended February 29, 2004, as listed in the table of contents. These financial statements are the responsibility of the management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Lake Ann, Benzie County, Michigan, as of February 29, 2004, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying financial information listed as Supplemental Data in the Table of Contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Village of Lake Ann. This information has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

J L Stephan Co PC

June 21, 2004

Village of Lake Ann

Combined Balance Sheet

All Fund Types and Account Groups

February 29, 2004

Exhibit A

	Governmental Fund Types			Account Group	Total
	General	Special Revenue	Fixed Assets	(Memo Only)	
Assets					
Cash	\$ 40,907	\$ 36,625	\$ -	\$ 77,532	
Taxes Receivable	1,929	-	-	1,929	
Accounts Receivable	-	-	-	-	
Property, Plant and Equipment (Net)	-	-	20,555	20,555	
Total Assets	\$ 42,836	\$ 36,625	\$ 20,555	\$ 100,016	
Liabilities and Fund Equity					
Liabilities					
Deferred Revenue	\$ 1,929	\$ -	\$ -	\$ 1,929	
Payroll Taxes Payable	211	33	-	244	
Pension Payable	248	-	-	248	
Due to Other Units	-	-	-	-	
Total Liabilities	2,388	33	-	2,421	
Fund Equity					
Investment in General Fixed Assets	-	-	20,555	20,555	
Fund Balances - Unreserved	40,448	36,592	-	77,040	
Total Fund Equity	40,448	36,592	20,555	97,595	
Total Liabilities and Fund Equity	\$ 42,836	\$ 36,625	\$ 20,555	\$ 100,016	

See Accompanying Notes to Financial Statements

Village of Lake Ann
*Combined Statement of Revenues, Expenditures
and Changes in Fund Balance
All Governmental Fund Types
For the Year Ended February, 29, 2004*

Exhibit B

	<i>General Fund</i>	<i>Special Revenue Funds</i>	<i>Total (Memo Only)</i>
<i>Revenues</i>			
Taxes	\$ 9,996	\$ -	\$ 9,996
Licenses and Permits	200	-	200
State Grants	18,948	34,350	53,298
Charges for Services	58	-	58
Interest and Rentals	324	285	609
Other Revenue	150	-	150
<i>Total Revenues</i>	29,676	34,635	64,311
<i>Expenditures</i>			
General Government	18,214	-	18,214
Public Safety	1,092	-	1,092
Public Works	-	30,076	30,076
Recreation and Cultural	3,179	-	3,179
Contingencies	159	-	159
<i>Total Expenditures</i>	22,644	30,076	52,720
<i>Excess Revenues Over (Under) Expenditures</i>	7,032	4,559	11,591
<i>Other Financing Sources (Uses)</i>			
Operating Transfers In	-	-	-
Operating Transfers (Out)	-	-	-
<i>Total Other Financing Sources (Uses)</i>	-	-	-
<i>Excess Revenues and Other Sources Over (Under) Expenditures & Other Uses</i>	7,032	4,559	11,591
<i>Fund Balance - Beginning of Year</i>	33,416	32,033	65,449
<i>Fund Balance - End of Year</i>	\$ 40,448	\$ 36,592	\$ 77,040

See Accompanying Notes to Financial Statements

Village of Lake Ann

Exhibit C

Combined Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual All Governmental Fund Types For the Year Ended February 29, 2004

	General Fund			Special Revenue Funds		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
Revenues						
Taxes	\$ 9,000	\$ 9,996	\$ 996	-	\$ -	\$ -
Licenses and Permits	100	200	100	-	-	-
State Shared Revenue	18,000	18,948	948	30,300	34,350	4,050
Charges for Services	400	58	(342)	-	-	-
Interest and Rentals	200	324	124	800	285	(515)
Miscellaneous	-	150	150	-	-	-
Total Revenues	27,700	29,676	1,976	31,100	34,635	3,535
Expenditures						
General Government	26,656	18,214	8,442	-	-	-
Public Safety	1,730	1,092	638	-	-	-
Public Works	-	-	-	49,997	30,076	19,921
Recreation and Cultural	4,176	3,179	997	-	-	-
Contingencies	250	159	91	-	-	-
Total Expenditures	32,812	22,644	10,168	49,997	30,076	19,921
Excess Revenues Over (Under)	(5,112)	7,032	12,144	(18,897)	4,559	23,456
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers (Out)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (5,112)	7,032	\$ 12,144	\$ (18,897)	4,559	\$ 23,456
Fund Balance - Beginning of Year		33,416			32,033	
Fund Balance - End of Year		\$ 40,448			\$ 36,592	

Village of Lake Ann
Notes to Financial Statements
February 29, 2004

Note 1 - Description of Operations and Fund Types

Village of Lake Ann is a common law village as defined by the laws of the State of Michigan. An elected Mayor and Village Council govern the Village.

A. Reporting Entity

The criteria established by Statement 14 of the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity's financial statements are based primarily on the concept of financial accountability. On this basis, accordingly, no financial statements of other organizations are included in these financial statements.

B. Basis of Presentation

The financial activities of the local unit are recorded in separate funds and account groups, categorized and described as follows:

Governmental Funds

General Fund - This Fund is used to account for all financial transactions not accounted for in another fund, including the general operating expenditures of the local unit. Revenues are derived primarily from property taxes, state distributions, and other intergovernmental revenues.

Special Revenue Funds - These Funds are used to account for specific governmental revenues (other than special assessments and major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. The two Special Revenue Funds currently maintained by the Village are the Major Streets and Local Streets Funds.

Account Groups

General Fixed Assets Account Group - This Account Group presents the fixed assets of the local unit utilized in its general operations (non-proprietary fixed assets).

Note 2 - Summary of Significant Accounting Policies

A. Basis of Accounting

All governmental funds utilize the modified accrual basis of accounting. Under this method, revenues are recognized when received in cash except for those susceptible to accrual, which are recorded as receivables when measurable and as revenue when available to finance current operations. Significant revenues susceptible to accrual include property taxes, expenditure reimbursement type grants, certain intergovernmental revenues and operating transfers. Expenditures are recorded when they become measurable except for interest on long-term debt, which is recorded when paid. Agency Funds recognize assets and liabilities on the modified accrual basis.

Village of Lake Ann
Notes to Financial Statements
February 29, 2004

Note 2 - Summary of Significant Accounting Policies - continued

The general fixed asset account group is not a fund. It is concerned only with the measurement of financial position. It is not involved with measuring the results of operations.

B. Budgets

The General Fund and Special Revenue Fund types are under formal budgetary control. Budgets shown in the financial statements for these funds were prepared on a basis not significantly different from the modified accrual basis used to reflect actual results and consist only of those amounts contained in the formal budget approved by the Village and budget amendments as represented by Clerk.

In the body of the combined financial statements, the Village's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a function basis. The approved budgets of the Village for these budgetary funds were adopted at the activity level.

Encumbrance accounting is not used and appropriations normally lapse at year-end.

C. Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain (infrastructure) general fixed assets consisting of roads, bridges, curbs and gutters, streets, and sidewalks, drainage systems and lighting systems are excluded from general fixed assets as items are immovable and of value only to the Village. No depreciation is recorded on general fixed assets.

Fixed assets are recorded at historical cost. Donated fixed assets are valued at the fair market value as of the date received.

D. Property Tax

The Village collects property taxes between July 1 and September 1. After this time, the taxes become delinquent and must be paid at the County Treasurer's office. The County pays the Village for uncollected taxes from the proceeds of revolving tax notes. Personal property taxes are the responsibility of the Village to collect. Delinquent real property taxes receivable are offset by deferred revenue for all Governmental Fund Types on the Village's balance sheet, as these amounts are not normally received within sixty days of year-end and are therefore not available to finance current operations.

E. Total Column

The total column on the financial statements is captioned (Memo Only) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Village of Lake Ann
Notes to Financial Statements
February 29, 2004

Note 3 - Material Violations of Legal and Contractual Provisions

Budget Compliance

P.A. 621 of 1978, Section 18 (1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. During the year ended February 29, 2004, the Village incurred expenditures in excess of amounts appropriated as follows:

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Local Streets: Winter Maintenance	\$ 4,903	\$ 5,548	\$ (645)

Note 4 - Deposits with Financial Institutions

A. Legal or Contractual Provisions for Deposits and Investments

The Michigan Political Subdivisions Act No. 20, Public Acts of 1943, as amended by act No. 217, Public Acts of 1982 and Public Act 196 of 1997, states the Village, by resolution, may authorize the Treasurer to invest surplus funds as follows:

- A. In bonds and other direct obligations of the United States or an agency or instrumentality of the United States in which the principal and interest is fully guaranteed by the United States. This subdivision shall include securities issued or guaranteed by the government national mortgage association.
- B. In certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings and loan association, or credit union meeting all criteria as a depository of public funds contained in state law.
- C. In commercial paper rated at the time of purchase within the 3 highest classifications established by not less than 2 standard rating services and which matures not more than 270 days after the date of purchase. Not more than 50% of any fund may be invested in commercial paper at any time.
- D. In United States government or Federal agency obligation repurchase agreements.
- E. In banker's acceptances of United States banks.
- F. In mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

Village of Lake Ann
Notes to Financial Statements
February 29, 2004

Note 4 - Deposits with Financial Institutions - continued

B. Types of Deposits and Investments

The Village maintains all its surplus funds with a local bank in the form of savings/checking accounts. Interpreting the FDIC insurance coverage of \$100,000 per deposit to apply to the total savings/time deposits separately from checking/demand deposits for purposes of applying the \$100,000 limit, the bank balances as of February 29, 2004 appear to be entirely insured for all funds.

Note 5 - Changes in General Fixed Assets

	Beginning Balance	Additions	Deletions	Ending Balance
Park Property	\$ 2,000	\$ -	\$ -	\$ 2,000
Bathroom Facilities	5,200	-	-	5,200
Park Maintenance Equip	691	-	-	691
Park Equipment	9,713	-	-	1,978
Office Equipment	<u>2,951</u>	<u>-</u>	<u>-</u>	<u>2,951</u>
Total	<u>\$ 20,555</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,555</u>

Note 6 - Pension Plan

The Village maintains a defined contribution pension plan. Substantially all elected and appointed officials are eligible to participate if they are 18 years old or older. Participants are fully vested from their first day of service. Plan contributions are limited to 12.4 % of employee's compensation. Contributions accrued for the year was \$ 2,167.

Note 7 - Risk Management

The Village pays an annual premium to Michigan Municipal Underwriters for its general insurance coverage through the Michigan Township Participating Plan. The Village carries coverage for property damage, liability, wrongful acts, automobile, crime, and inland marine claims. Also, the Village carries worker's compensation insurance with The Accident Fund of Michigan. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

SUPPLEMENTAL DATA SECTION

Village of Lake Ann
General Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended February 29, 2004

Schedule 1

	<i>Budget</i>	<i>Actual</i>	<i>Favorable (Unfavorable)</i>
<i>Revenues</i>			
Property Taxes	\$ 9,000	\$ 9,996	\$ 996
Licenses & Permits	100	200	100
State Shared Revenue	18,000	18,948	948
Charges for Services	400	58	(342)
Interest Earned	200	324	124
Miscellaneous Income	-	150	150
	<hr/>	<hr/>	<hr/>
<i>Total Revenues</i>	27,700	29,676	1,976
<i>Expenditures</i>			
General Government			
Village Council			
Salaries & Wages		3,275	
Fringe Benefits		2,167	
Membership & Dues		321	
Printing & Publishing		651	
Insurance & Bonds		4,012	
Utilities		3,309	
Miscellaneous		117	
	<hr/>	<hr/>	<hr/>
	17,320	13,852	3,468
Mayor			
Salaries & Wages		395	
	<hr/>	<hr/>	<hr/>
	1,065	395	670
Attorney & Audit			
Professional Services		24	
	<hr/>	<hr/>	<hr/>
	3,000	24	2,976
Elections			
Casual Labor		341	
Supplies		-	
Printing & Publishing		182	
	<hr/>	<hr/>	<hr/>
	950	523	427

See Accompanying Notes to Financial Statements

Village of Lake Ann
General Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended February 29, 2004

Schedule 1

	<i>Budget</i>	<i>Actual</i>	<i>Favorable (Unfavorable)</i>
Clerk			
Salaries & Wages		1,540	
Office Supplies		87	
Communications		-	
Capital Outlay		-	
	<u>2,385</u>	<u>1,627</u>	<u>758</u>
Treasurer			
Salaries & Wages		1,585	
Office Supplies		179	
Communications		29	
Miscellaneous		-	
	<u>1,936</u>	<u>1,793</u>	<u>143</u>
<i>Total General Government</i>	26,656	18,214	8,442
Public Safety			
Zoning			
Salaries & Wages		990	
Supplies		2	
Printing & Publishing		100	
Miscellaneous		-	
	<u>1,730</u>	<u>1,092</u>	<u>638</u>
<i>Total Public Safety</i>	1,730	1,092	638
Recreation and Culture			
Park			
Salaries & Wages		336	
Operating Supplies		87	
Utilities		-	
Repairs & Maintenance		2,606	
Miscellaneous		150	
Capital Outlay		-	
	<u>4,026</u>	<u>3,179</u>	<u>847</u>

See Accompanying Notes to Financial Statements

Village of Lake Ann
General Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended February 29, 2004

Schedule 1

	<i>Budget</i>	<i>Actual</i>	<i>Favorable (Unfavorable)</i>
Recreation			
Miscellaneous	150	-	150
	150	-	150
<i>Total Recreation and Culture</i>	4,176	3,179	997
Contingencies and Other			
Contingencies	-	-	-
Payroll Taxes	250	159	91
	250	159	91
<i>Total Expenditures</i>	32,812	22,644	10,168
Excess Revenues (Expenditures)	(5,112)	7,032	12,144
Other Financing Sources (Uses)			
Operating Transfers In	-	-	-
Operating Transfers (Out)	-	-	-
	-	-	-
Excess Revenues (Expenditures) and Other Sources (Uses)	<u>\$ (5,112)</u>	7,032	<u>\$ 12,144</u>
Fund Balance - Beginning of Year		33,416	
Fund Balance - End of Year		<u>\$ 40,448</u>	

See Accompanying Notes to Financial Statements

Village of Lake Ann
Special Revenue Funds
Combining Balance Sheet
For the Year Ended February 29, 2004

Schedule 2

	<i>Major Streets</i>	<i>Local Streets</i>	<i>Total</i>
<i>Assets</i>			
Cash	\$ 28,066	\$ 8,559	\$ 36,625
Due from Other Funds	-	-	-
	<u>\$ 28,066</u>	<u>\$ 8,559</u>	<u>\$ 36,625</u>
 <i>Liabilities and Fund Equity</i>			
Payroll Taxes Payable	\$ 24	\$ 9	\$ 33
Fund Balance	<u>28,042</u>	<u>8,550</u>	<u>36,592</u>
Total Liabilities and Fund Equity	<u>\$ 28,066</u>	<u>\$ 8,559</u>	<u>\$ 36,625</u>

See Accompanying Notes to Financial Statements

Village of Lake Ann
Special Revenue Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year ended February 29, 2004

Schedule 3

	<i>Major Streets</i>	<i>Local Streets</i>	<i>Total</i>
<i>Revenues</i>			
State Shared Revenue	\$ 26,854	\$ 7,496	\$ 34,350
Interest	211	74	285
Other Revenues	-	-	-
<i>Total Revenues</i>	27,065	7,570	34,635
<i>Expenditures</i>			
Routine Maintenance	15,845	1,674	17,519
Traffic Services	80	145	225
Winter Maintenance	5,175	5,548	10,723
Wages and Salaries	964	355	1,319
Miscellaneous	290	-	290
<i>Total Expenditures</i>	22,354	7,722	30,076
<i>Excess Revenues (Expenditures)</i>	4,711	(152)	4,559
<i>Other Financing Sources (Uses)</i>			
Operating Transfers In	-	-	-
Operating Transfers (Out)	-	-	-
	-	-	-
<i>Excess Revenues (Expenditures) and Other Sources (Uses)</i>	4,711	(152)	4,559
Fund Balance - Beginning of Year	23,331	8,702	32,033
Fund Balance - End of Year	<u>\$ 28,042</u>	<u>\$ 8,550</u>	<u>\$ 36,592</u>

See Accompanying Notes to Financial Statements

Village of Lake Ann
Major Streets Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended February 29, 2004

Schedule 4

	<i>Budget</i>	<i>Actual</i>	<i>Favorable (Unfavorable)</i>
<i>Revenues</i>			
State Shared Revenue	\$ 24,000	\$ 26,854	\$ 2,854
Interest	500	211	(289)
Other Revenues	-	-	-
<i>Total Revenues</i>	24,500	27,065	2,565
<i>Expenditures</i>			
Routine Maintenance	25,000	15,845	9,155
Traffic Services	500	80	420
Winter Maintenance	12,000	5,175	6,825
Wages and Salaries	2,380	964	1,416
Miscellaneous	301	290	11
<i>Total Expenditures</i>	40,181	22,354	17,827
<i>Excess Revenues (Expenditures)</i>	(15,681)	4,711	20,392
<i>Other Financing Sources (Uses)</i>			
Operating Transfer In	-	-	-
Operating Transfer (Out)	-	-	-
<i>Total Other Financing Sources (Uses)</i>	-	-	-
<i>Excess Revenue & Other Sources Over (Under) Expenditures & Other Uses</i>	<u>\$ (15,681)</u>	4,711	<u>\$ 20,392</u>
Fund Balance - Beginning of Year		23,331	
Fund Balance - End of Year		<u>\$ 28,042</u>	

See Accompanying Notes to Financial Statements

Village of Lake Ann
Local Streets Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended February 29, 2004

Schedule 5

	<i>Budget</i>	<i>Actual</i>	<i>Favorable (Unfavorable)</i>
<i>Revenues</i>			
State Shared Revenue	\$ 6,300	\$ 7,496	\$ 1,196
Interest	300	74	(226)
Other Revenues	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Revenues</i>	6,600	7,570	970
<i>Expenditures</i>			
Routine Maintenance	3,097	1,674	1,423
Traffic Services	1,000	145	855
Winter Maintenance	4,903	5,548	(645)
Wages and Salaries	815	355	460
Miscellaneous	<u>1</u>	<u>-</u>	<u>1</u>
<i>Total Expenditures</i>	<u>9,816</u>	<u>7,722</u>	<u>2,094</u>
<i>Excess Revenues (Expenditures)</i>	(3,216)	(152)	3,064
<i>Other Financing Sources (Uses)</i>			
Operating Transfer In	-	-	-
Operating Transfer (Out)	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess Revenue & Other Sources Over (Under) Expenditures & Other Uses</i>	<u>\$ (3,216)</u>	(152)	<u>\$ 3,064</u>
Fund Balance - Beginning of Year		<u>8,702</u>	
Fund Balance - End of Year		<u>\$ 8,550</u>	

See Accompanying Notes to Financial Statements